

103^D CONGRESS
1ST SESSION

H. R. 3090

To amend title 38, United States Code, to improve the ability of the Department of Veterans Affairs to provide continuity of care in the rehabilitation of chronically mentally ill veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 1993

Mr. KREIDLER introduced the following bill; which was referred to the
Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve the ability of the Department of Veterans Affairs to provide continuity of care in the rehabilitation of chronically mentally ill veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. AUTHORITY TO ESTABLISH NONPROFIT COR-**
4 **PORATIONS.**

5 (a) Chapter 17 of title 38, United States Code, is
6 amended by inserting after section 1718 the following new
7 section:

1 **“§ 1718A. Nonprofit corporations**

2 “(a) The Secretary may authorize the establishment
3 at any Veterans Health Administration facility of a non-
4 profit corporation (1) to arrange for therapeutic work for
5 patients of such facility or patients of other such Depart-
6 ment facilities pursuant to section 1718(b) of this title,
7 and (2) to provide a flexible funding mechanism to achieve
8 the purposes of section 1718 of this title.

9 “(b) The Secretary shall provide for the appointment
10 of a board of directors for any corporation established
11 under this section and shall determine the number of di-
12 rectors and the composition of the board of directors. The
13 board of directors shall include—

14 “(1) the director of the facility and other offi-
15 cials or employees of the facility; and

16 “(2) members appointed from among individ-
17 uals who are not officers or employees of the De-
18 partment of Veterans Affairs.

19 “(c) Each such corporation shall have an executive
20 director who shall be appointed by the board of directors
21 with concurrence of the Under Secretary for Health of the
22 Department. The executive director of a corporation shall
23 be responsible for the operations of the corporation and
24 shall have such specific duties and responsibilities as the
25 board may prescribe.

1 “(d) A corporation established under this section
2 may—

3 “(1) arrange with the Department of Veterans
4 Affairs under section 1718(b)(2) of this title to pro-
5 vide for therapeutic work for patients;

6 “(2) accept gifts and grants from, and enter
7 into contracts with, individuals and public and pri-
8 vate entities solely to carry out the purposes of this
9 section; and

10 “(3) employ such employees as it considers nec-
11 essary for such purposes and fix the compensation
12 of such employees.

13 “(e)(1) Except as provided in paragraph (2), any
14 funds received by a corporation established under this sec-
15 tion through arrangements authorized under subsection
16 (d)(1) in excess of amounts reasonably required to carry
17 out obligations of the corporation authorized under sub-
18 section (d)(3) shall be deposited in or credited to the Spe-
19 cial Therapeutic and Rehabilitation Activities Fund estab-
20 lished under section 1718(c) of this title.

21 “(2) The Secretary, in accordance with guidelines
22 which the Secretary shall prescribe, may authorize a cor-
23 poration established under this section to retain funds de-
24 rived from arrangements authorized under subsection
25 (d)(1).

1 “(3) Any funds received by a corporation established
2 under this section through arrangements authorized under
3 subsection (d)(2) may be transferred to the Special Thera-
4 peutics and Rehabilitation Activities Fund.

5 “(f) A corporation established under this section shall
6 be established in accordance with the nonprofit corpora-
7 tion laws of the State in which the applicable medical facil-
8 ity is located and shall, to the extent not inconsistent with
9 Federal law, be subject to the laws of such State.

10 “(g)(1)(A) The records of a corporation established
11 under this section shall be available to the Secretary.

12 “(B) For the purposes of sections 4(a)(1) and 6(a)(1)
13 of the Inspector General Act of 1978, the programs and
14 operations of such a corporation shall be considered to be
15 programs and operations of the Department with respect
16 to which the Inspector General of the Department has re-
17 sponsibilities under such Act.

18 “(2) Such a corporation shall be considered an agen-
19 cy for the purposes of section 716 of title 31 (relating to
20 availability of information and inspection of records by the
21 Comptroller General).

22 “(3) Each such corporation shall submit to the Sec-
23 retary an annual report providing a detailed statement of
24 its operations, activities, and accomplishments during that
25 year. The corporation shall obtain a report of independent

1 auditors concerning the receipts and expenditures of funds
2 by the corporation during that year and shall include that
3 report in the corporation's report to the Secretary for that
4 year.

5 “(4) Each member of the board of directors of a cor-
6 poration established under this section, each employee of
7 such corporation, and each employee of the Department
8 who is involved in the functions of the corporation during
9 any year shall—

10 “(A) be subject to Federal laws and regulations
11 applicable to Federal employees with respect to con-
12 flicts of interest in the performance of official func-
13 tions; and

14 “(B) submit to the Secretary an annual state-
15 ment signed by the director or employee certifying
16 that the director or employee is aware of, and has
17 complied with, such laws and regulations in the
18 same manner as Federal employees are required to.

19 “(h) The Secretary shall submit to the Committees
20 on Veterans' Affairs of the Senate and House of Rep-
21 resentatives an annual report on the number and location
22 of corporations established and the amount of the con-
23 tributions made to each such corporation.

24 “(i) No corporation may be established under this
25 section after September 30, 1999.

1 “(j) If by the end of the four-year period beginning
 2 on the date of the establishment of a corporation under
 3 this section the corporation is not recognized as an entity
 4 the income of which is exempt from taxation under the
 5 Internal Revenue Code of 1986, the Secretary shall dis-
 6 solve the corporation.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
 8 at the beginning of such chapter is amended by inserting
 9 after the item relating to section 1718 the following new
 10 item:

“1718A. Nonprofit corporations.”.

11 **SEC. 2. EXTENSION OF DEMONSTRATION PROGRAM.**

12 Section 7 of Public Law 102–54 (105 Stat. 269; 38
 13 U.S.C. 618 note) is amended—

14 (1) in subsection (a), by striking out “1994”
 15 and inserting in lieu thereof “1997”;

16 (2) in subsection (c)—

17 (A) by striking out “no more than 50”;
 18 and

19 (B) by striking out “of this subsection.”
 20 and inserting in lieu thereof “of this sub-
 21 section—

22 “(1) at no more than 55 sites during fiscal year
 23 1994;

24 “(2) at no more than 60 sites during fiscal year
 25 1995;

1 “(3) at no more than 65 sites during fiscal year
2 1996; and

3 “(4) at no more than 70 sites during fiscal year
4 1997.”; and

5 (3) in subsection (k), by inserting after the sec-
6 ond sentence the following: “During the period cov-
7 ering fiscal years 1994 through 1997, the Secretary
8 shall manage the costs of acquisition, management,
9 maintenance, and disposition of real property ac-
10 quired for such program after October 1, 1994, in
11 such manner as to assure that in any fiscal year the
12 total amount of such expenditures do not exceed
13 \$500,000.”.

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